

---

**SUBSTITUTE SENATE BILL 6765**

---

**State of Washington**

**60th Legislature**

**2008 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators Parlette and Keiser)

READ FIRST TIME 02/12/08.

1 AN ACT Relating to the Washington state health insurance pool;  
2 amending RCW 48.41.100; and creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 48.41.100 and 2007 c 259 s 30 are each amended to read  
5 as follows:

6 (1) The following persons who are residents of this state are  
7 eligible for pool coverage:

8 (a) Any person who provides evidence of a carrier's decision not to  
9 accept him or her for enrollment in an individual health benefit plan  
10 as defined in RCW 48.43.005 based upon, and within ninety days of the  
11 receipt of, the results of the standard health questionnaire designated  
12 by the board and administered by health carriers under RCW 48.43.018;

13 (b) Any person who continues to be eligible for pool coverage based  
14 upon the results of the standard health questionnaire designated by the  
15 board and administered by the pool administrator pursuant to subsection  
16 (3) of this section;

17 (c) Any person who resides in a county of the state where no  
18 carrier or insurer eligible under chapter 48.15 RCW offers to the

1 public an individual health benefit plan other than a catastrophic  
2 health plan as defined in RCW 48.43.005 at the time of application to  
3 the pool, and who makes direct application to the pool; and

4 (d) Any medicare eligible person upon providing evidence of  
5 rejection for medical reasons, a requirement of restrictive riders, an  
6 up-rated premium, or a preexisting conditions limitation on a medicare  
7 supplemental insurance policy under chapter 48.66 RCW, the effect of  
8 which is to substantially reduce coverage from that received by a  
9 person considered a standard risk by at least one member within six  
10 months of the date of application.

11 (2) The following persons are not eligible for coverage by the  
12 pool:

13 (a) Any person having terminated coverage in the pool unless (i)  
14 twelve months have lapsed since termination, or (ii) that person can  
15 show continuous other coverage which has been involuntarily terminated  
16 for any reason other than nonpayment of premiums. However, these  
17 exclusions do not apply to eligible individuals as defined in section  
18 2741(b) of the federal health insurance portability and accountability  
19 act of 1996 (42 U.S.C. Sec. 300gg-41(b));

20 (b) Any person on whose behalf the pool has paid out two million  
21 dollars in benefits;

22 (c) Inmates of public institutions, and those persons (~~whose~~  
23 ~~benefits are duplicated under public programs~~) who become eligible for  
24 medical assistance after June 30, 2008, as defined in RCW 74.09.010.  
25 However, these exclusions do not apply to eligible individuals as  
26 defined in section 2741(b) of the federal health insurance portability  
27 and accountability act of 1996 (42 U.S.C. Sec. 300gg-41(b));

28 (d) Any person who resides in a county of the state where any  
29 carrier or insurer regulated under chapter 48.15 RCW offers to the  
30 public an individual health benefit plan other than a catastrophic  
31 health plan as defined in RCW 48.43.005 at the time of application to  
32 the pool and who does not qualify for pool coverage based upon the  
33 results of the standard health questionnaire, or pursuant to subsection  
34 (1)(d) of this section.

35 (3) When a carrier or insurer regulated under chapter 48.15 RCW  
36 begins to offer an individual health benefit plan in a county where no  
37 carrier had been offering an individual health benefit plan:

1 (a) If the health benefit plan offered is other than a catastrophic  
2 health plan as defined in RCW 48.43.005, any person enrolled in a pool  
3 plan pursuant to subsection (1)(c) of this section in that county shall  
4 no longer be eligible for coverage under that plan pursuant to  
5 subsection (1)(c) of this section, but may continue to be eligible for  
6 pool coverage based upon the results of the standard health  
7 questionnaire designated by the board and administered by the pool  
8 administrator. The pool administrator shall offer to administer the  
9 questionnaire to each person no longer eligible for coverage under  
10 subsection (1)(c) of this section within thirty days of determining  
11 that he or she is no longer eligible;

12 (b) Losing eligibility for pool coverage under this subsection (3)  
13 does not affect a person's eligibility for pool coverage under  
14 subsection (1)(a), (b), or (d) of this section; and

15 (c) The pool administrator shall provide written notice to any  
16 person who is no longer eligible for coverage under a pool plan under  
17 this subsection (3) within thirty days of the administrator's  
18 determination that the person is no longer eligible. The notice shall:  
19 (i) Indicate that coverage under the plan will cease ninety days from  
20 the date that the notice is dated; (ii) describe any other coverage  
21 options, either in or outside of the pool, available to the person;  
22 (iii) describe the procedures for the administration of the standard  
23 health questionnaire to determine the person's continued eligibility  
24 for coverage under subsection (1)(b) of this section; and (iv) describe  
25 the enrollment process for the available options outside of the pool.

26 (4) The board shall ensure that an independent analysis of the  
27 eligibility standards for the pool coverage is conducted, including  
28 examining the eight percent eligibility threshold, eligibility for  
29 medicaid enrollees and other publicly sponsored enrollees, and the  
30 impacts on the pool and the state budget. The board shall report the  
31 findings to the legislature by December 1, 2007.

32 NEW SECTION. **Sec. 2.** The Washington state health insurance pool  
33 relies upon enrollee premiums and assessments paid by health insurance  
34 carriers for financing, and the number of enrollees supporting the  
35 assessment payments has declined as more employers and associations  
36 have chosen to self-insure their health care benefits. The office of  
37 the insurance commissioner is directed to convene a task force to

1 recommend the best options for equitable, stable, and broad-based  
2 funding sources for the Washington state health insurance pool.  
3 Participants should include, at a minimum, representatives from  
4 insurance carriers, the pool, and the office of financial management.  
5 The task force recommendations shall be delivered to the legislature by  
6 December 1, 2008.

--- END ---